

Raley's takes tough line with union workers

By Dale Kasler, Sacramento Bee

Raley's is ramping up the pressure on its workers to swallow contract savings, taking steps that could provoke the first strike in the supermarket chain's 77-year history.

Fed up with months of fruitless labor negotiations, Raley's refused late Friday to extend the contract with a Bay Area unit of the United Food and Commercial Workers.

The move doesn't necessarily translate into a strike. Workers will continue to be paid under the terms of the old contract, a situation that could continue indefinitely.

In fact, negotiations will be held almost every day this week, and Raley's expressed optimism Monday that labor peace is possible.

"I believe we can reach an agreement by the end of this week," said Chief Executive Michael Teel in a memo to employees.

But Teel said "we are entering the most critical week for negotiations to date." His decision not to extend the contract with San Jose's UFCW Local 5 contract has escalated the tension between the West Sacramento grocer and its workers.

Local 5 remains willing to negotiate, but Raley's move leaves it "no choice but to prepare for a labor dispute," said local President Ron Lind in a written statement.

The absence of a contract affects 1,700 members of Local 5, mostly workers at Raley's Nob Hill Foods subsidiary.

That could spread. UFCW 8-Golden State, covering Sacramento and the Central Valley, pledged to stand with the Bay Area

unit and not accept a contract extension unless Raley's backs off. Local 8's Raley's contract expires Friday night at midnight. (The contract at Raley's Bel Air subsidiary runs out May 29.)

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